

Promoting Open Communities Fair Housing and Regional Equity

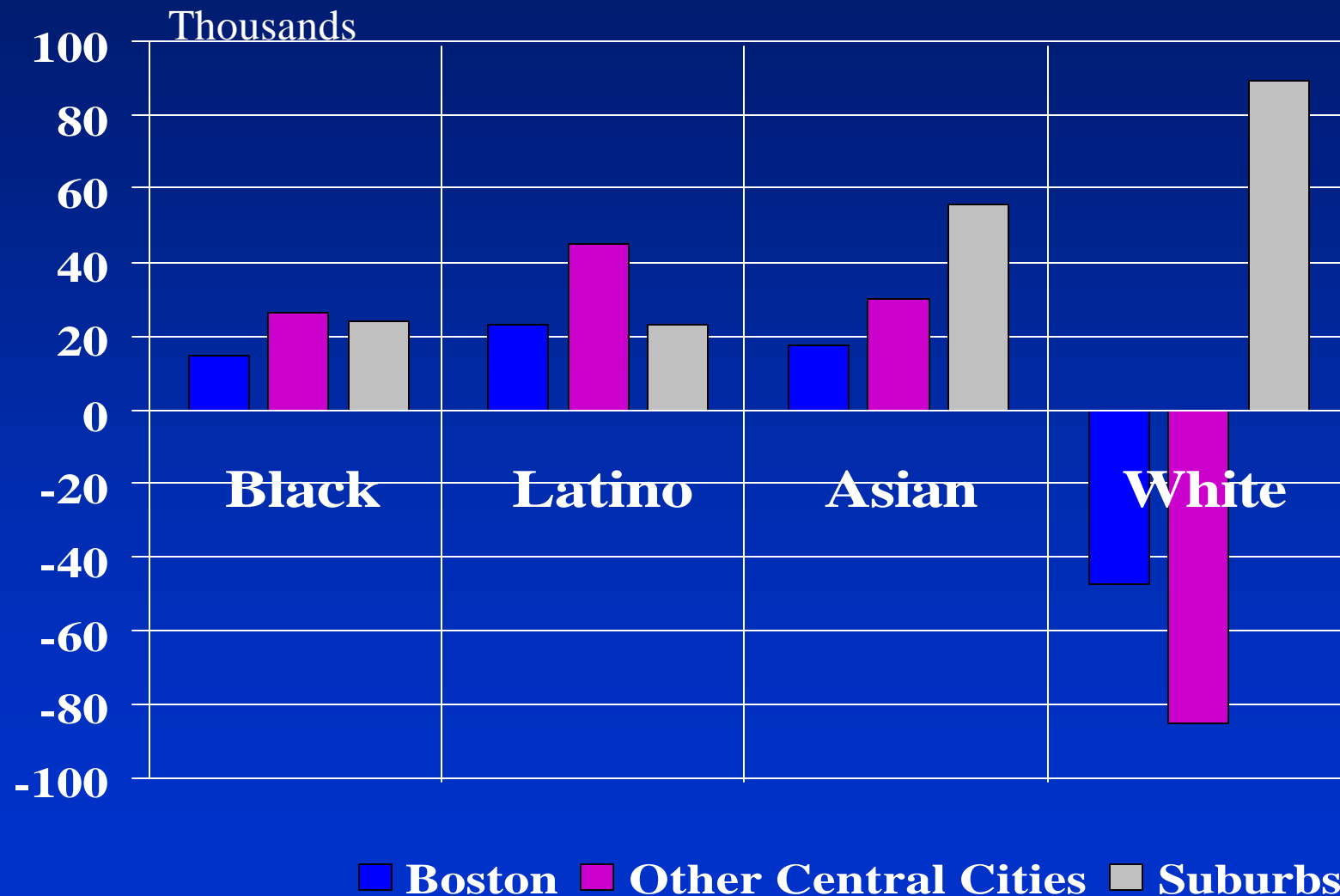
The Fair Housing Center of Greater Boston

December 1, 2006

**Data provided by the Metro Boston Equity
Initiative of the Harvard Civil Rights Project**

While Populations of Color Increased in All Areas, White Population Declined in Urban Areas, Surged in Suburbs

(Change in Population: 1990-2000)



Source: 2000 Census.

Segregation Trends

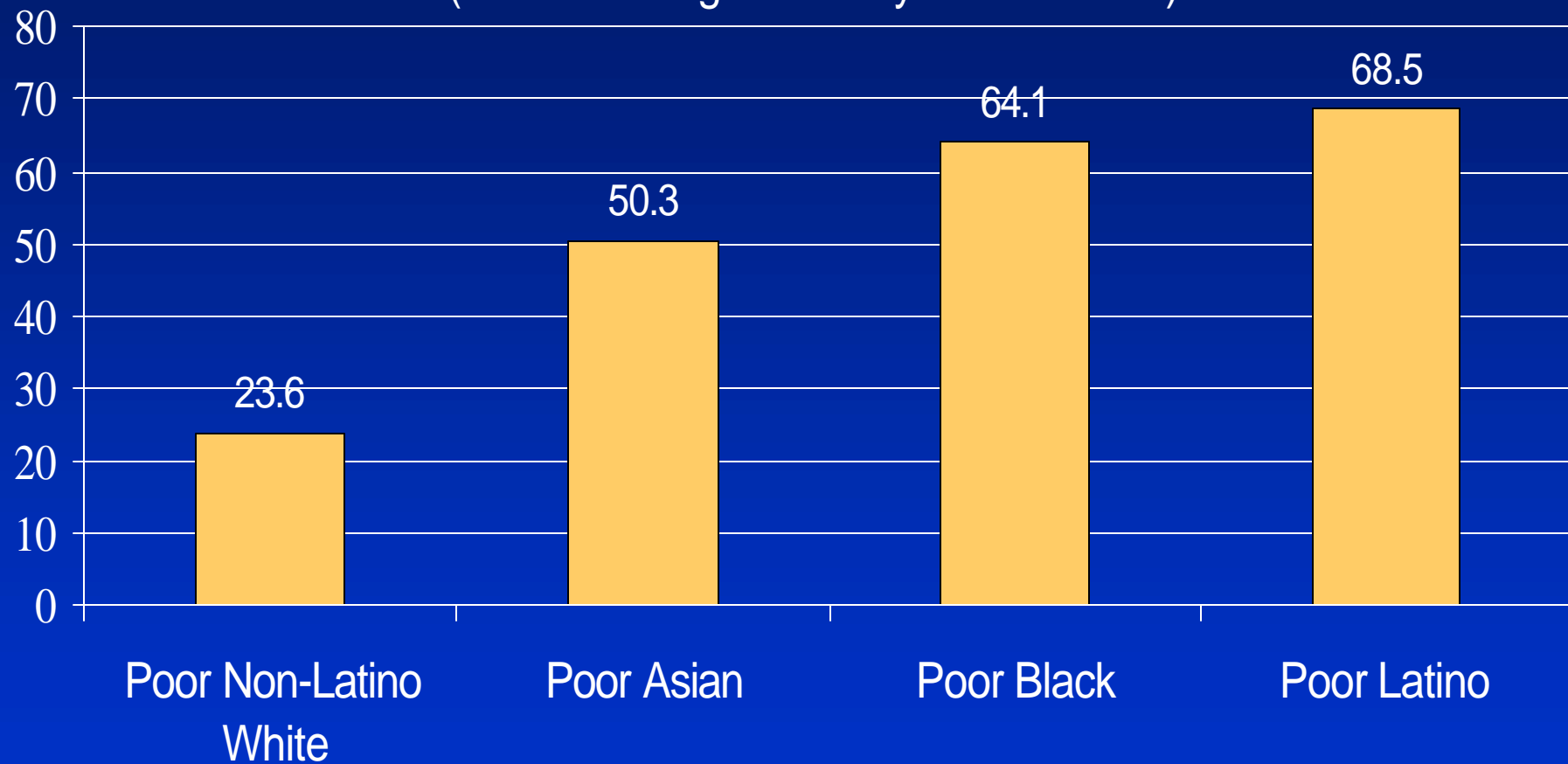
- Over the 1990s, Segregation Between Latinos and Whites **Increased**, Especially for Children
- Segregation of African Americans, While Still Extremely High, **Declined Overall**.
 - However, Most Improvement in City of Boston—
May be Transitional Integration Linked to Gentrification
 - Segregation of African Americans in the Suburbs
Remained Unchanged

Affordability as Cause of Segregation (Poverty Population)

- Poor Residents of Color **Twice as Likely** to Live in Concentrated Poverty Neighborhoods and **Three Times** as Likely to Live in Severely Distressed Neighborhoods as Poor Whites
- Black and Latino Households with Incomes **Over \$50,000** More Likely to Live in Poverty Neighborhoods than White Households With Incomes **Under \$20,000**

Even Among the Poor, People of Color Are Much More Likely to Live in Poor Neighborhoods than Whites

(Percent Living in Poverty Tracts: 1999)

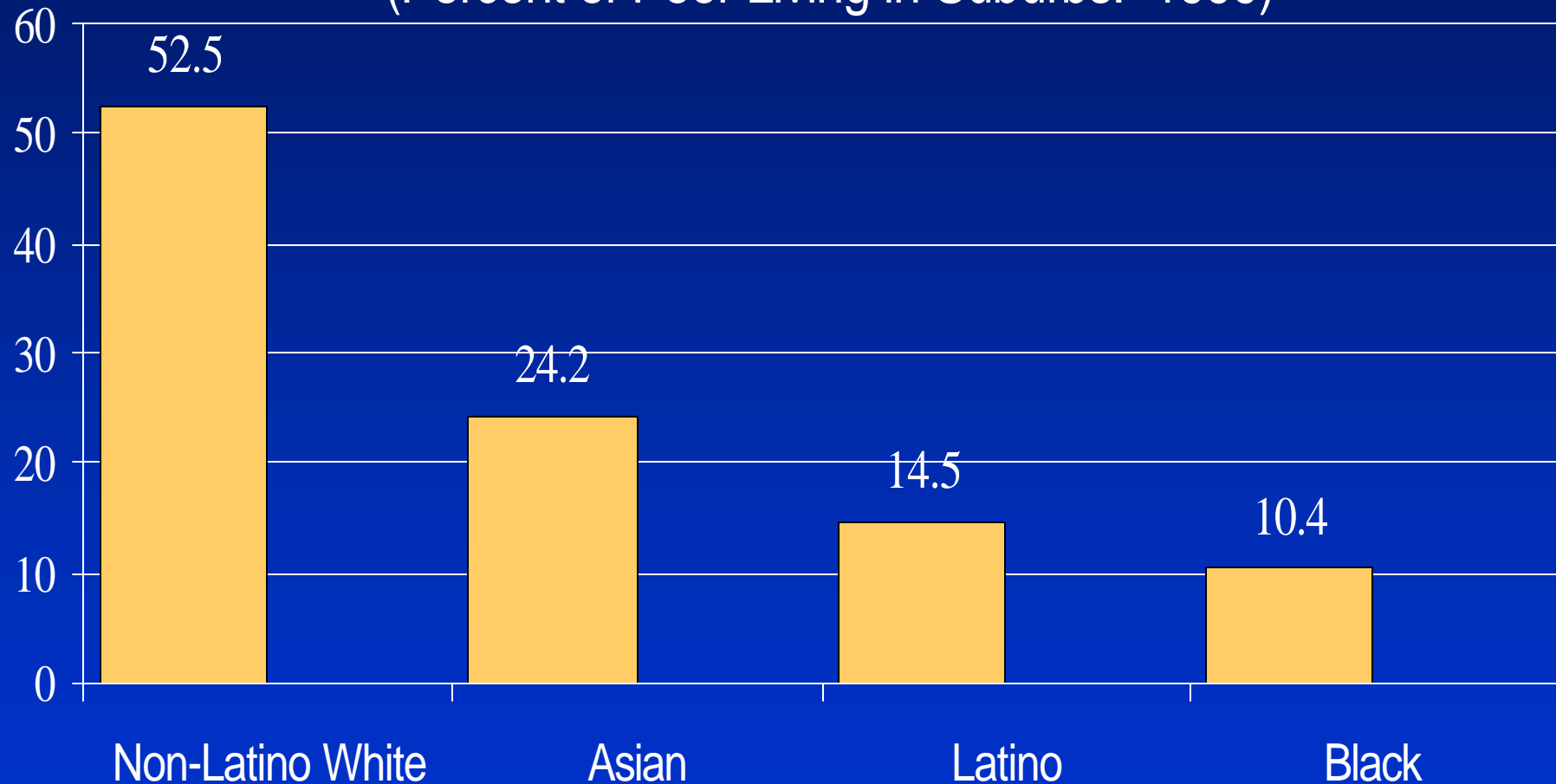


Note: Poverty Tracts are those in which 20% or more of the population is in poverty.

Source: 1990 and 2000 Decennial Censuses, Summary File 3.

Despite Low Incomes, Half of Poor Whites Live in Suburbs; Unlike Poor People of Color

(Percent of Poor Living in Suburbs: 1999)



Source: 2000 Decennial Censuses, Summary File 3.

The Usual Suspects

- **Affordability** – where people can afford
- **Discrimination** – where people are allowed
- **Simple Choice** – where people want to live

Usual Suspect 1

Research Question:

Does Housing Affordability Explain the
Pattern of Residential Segregation
of Homeowners/Homebuyers in the
Boston Metro Area?

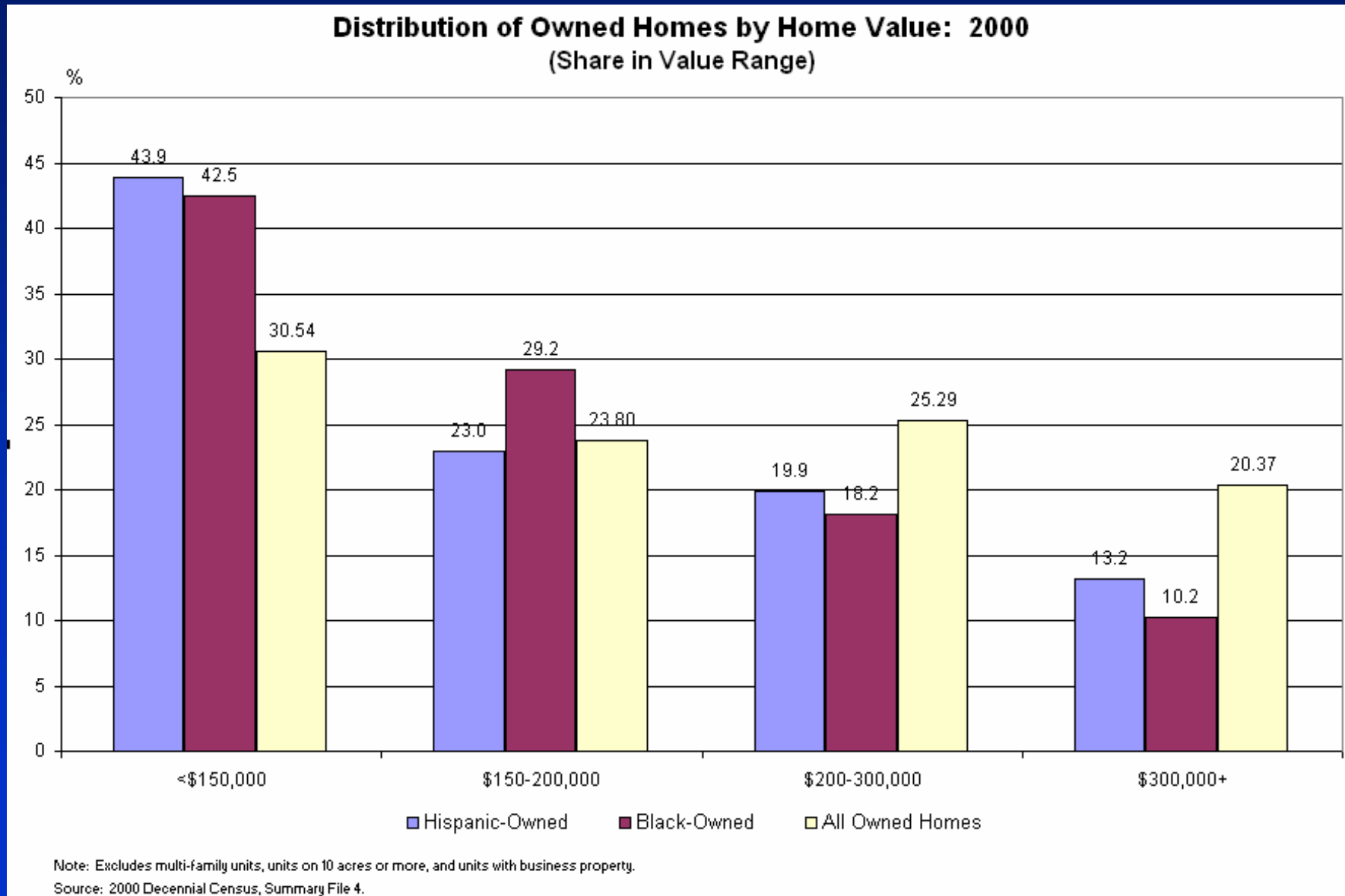
Methodology:

Compare the Actual Number of
Owners/Buyers in Each Municipality
by Race

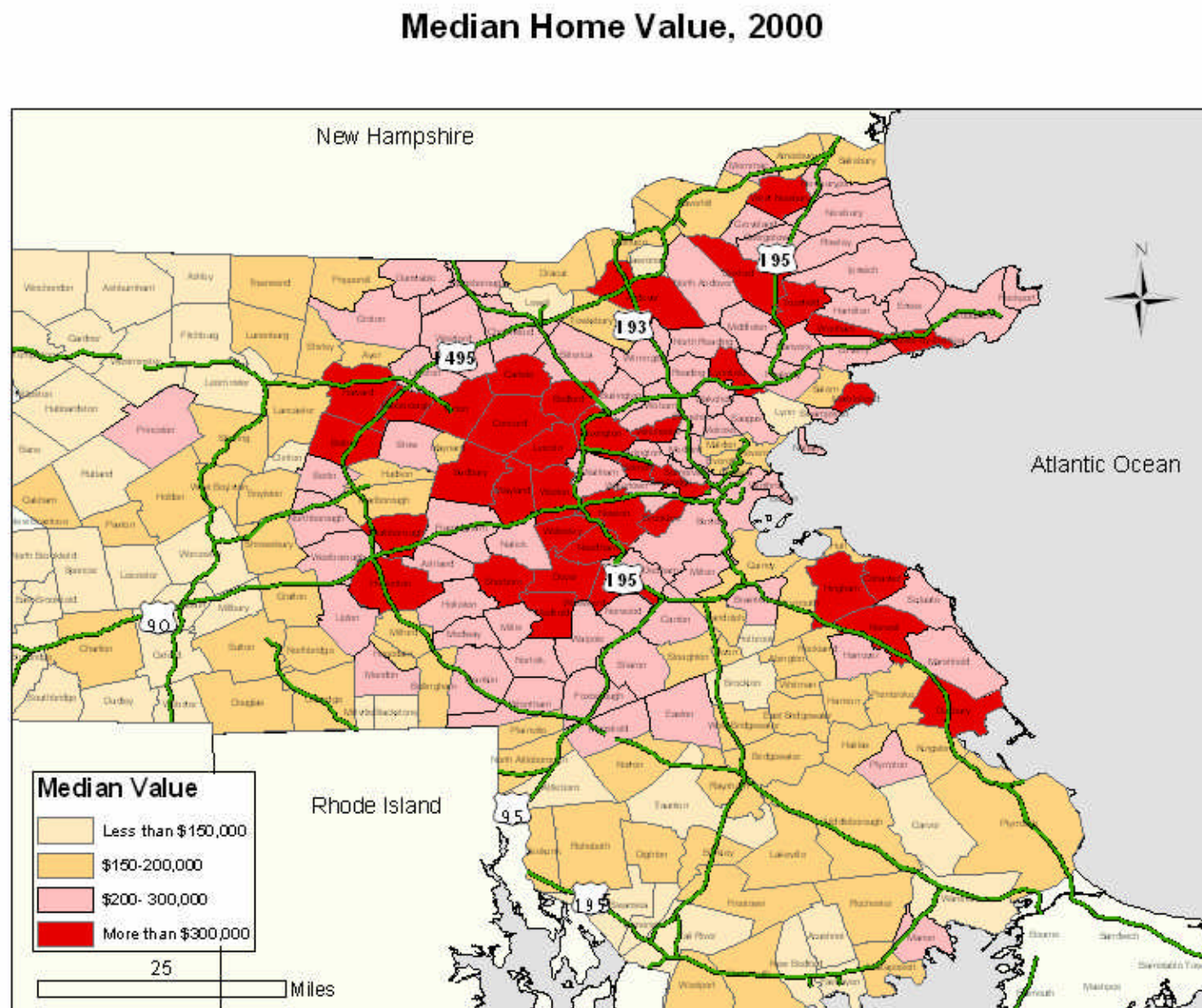
With

The Number We Would Predict if
Owners/Buyers Were Distributed
Across the Metro Area Solely on the
Basis of What They Could Afford
(Color-Blind Distribution)

Latinos/African Americans Likely to Own Lower-Valued Homes, **BUT** Substantial Shares Own Middle/ Higher-Value Homes



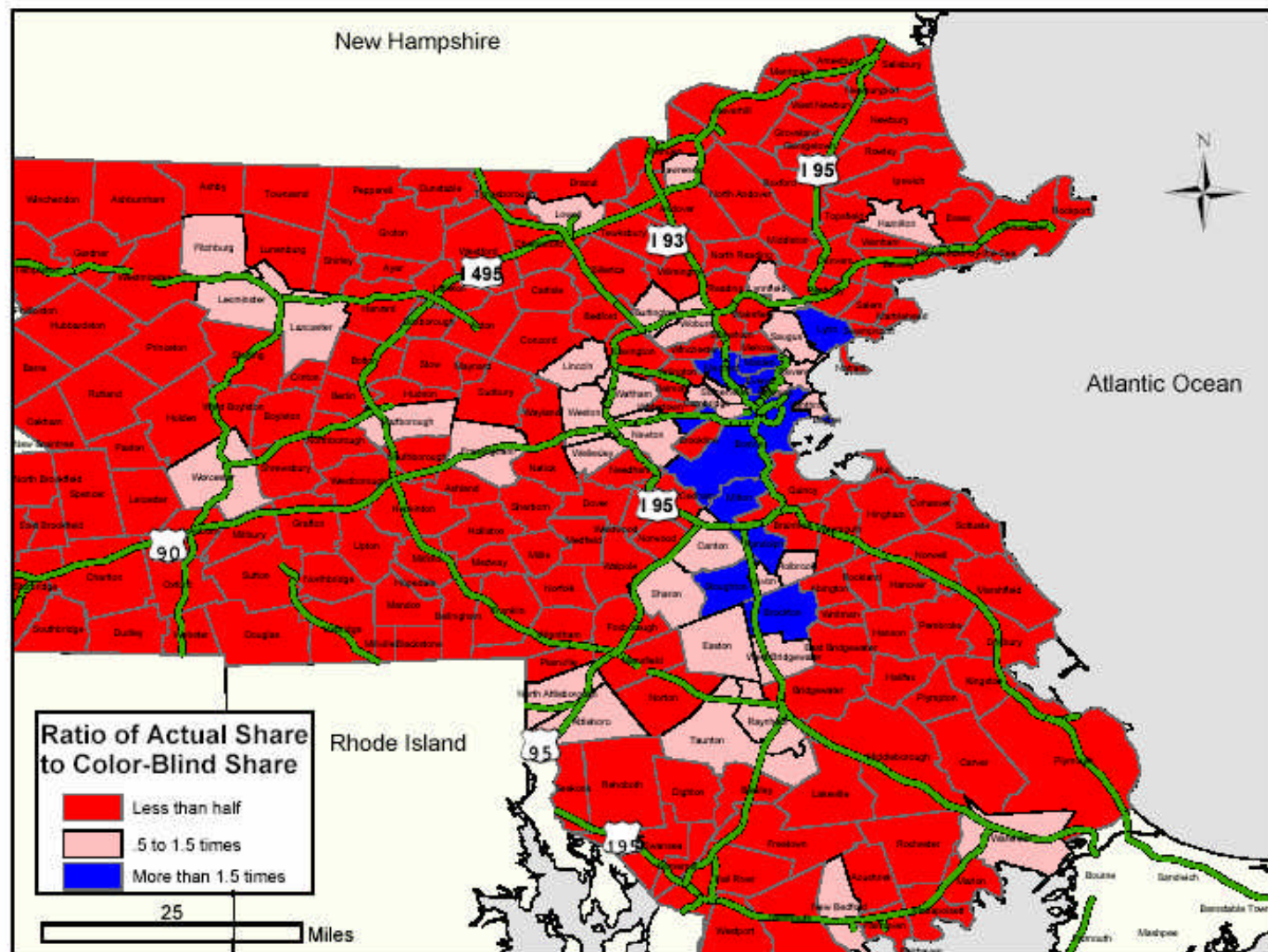
Homes of Similar Value to Those Owned by Many African Americans and Latinos Are Found Throughout the Metro Area



Source: 2000 Decennial Census, Summary File 3.

African-American Borrowers **Over-Represented** Along “Blue Hill Ave Extended,” Reinforcing Existing Settlement Patterns

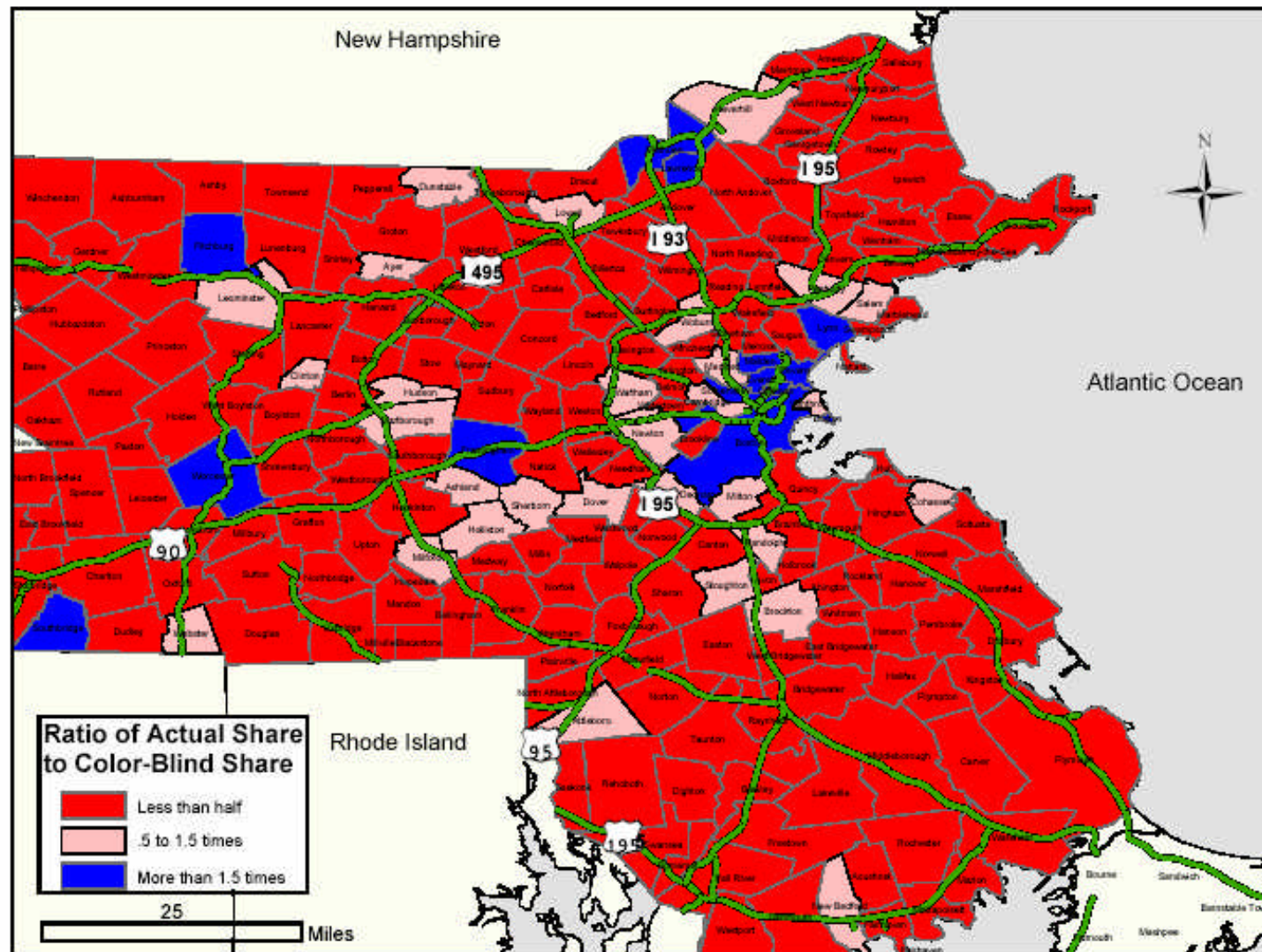
Comparison of Actual to "Color-Blind" Distribution of Home Mortgages
Black Borrowers



Source: Analysis of data from the 1999-2001 HMDA data. Loans are originated, for-purchase loans in 1-4 unit structures. Race refers to the applicant. Assumes 95% loan-to-value ratio for blacks and Hispanics and 80% ratio for all others. Excludes loans less than \$25,000 and those for which race is unknown.

Latino Borrowers **Over-Represented** in Boston and Urbanized Cities/Towns Such as Lawrence, Chelsea, Lynn and Revere

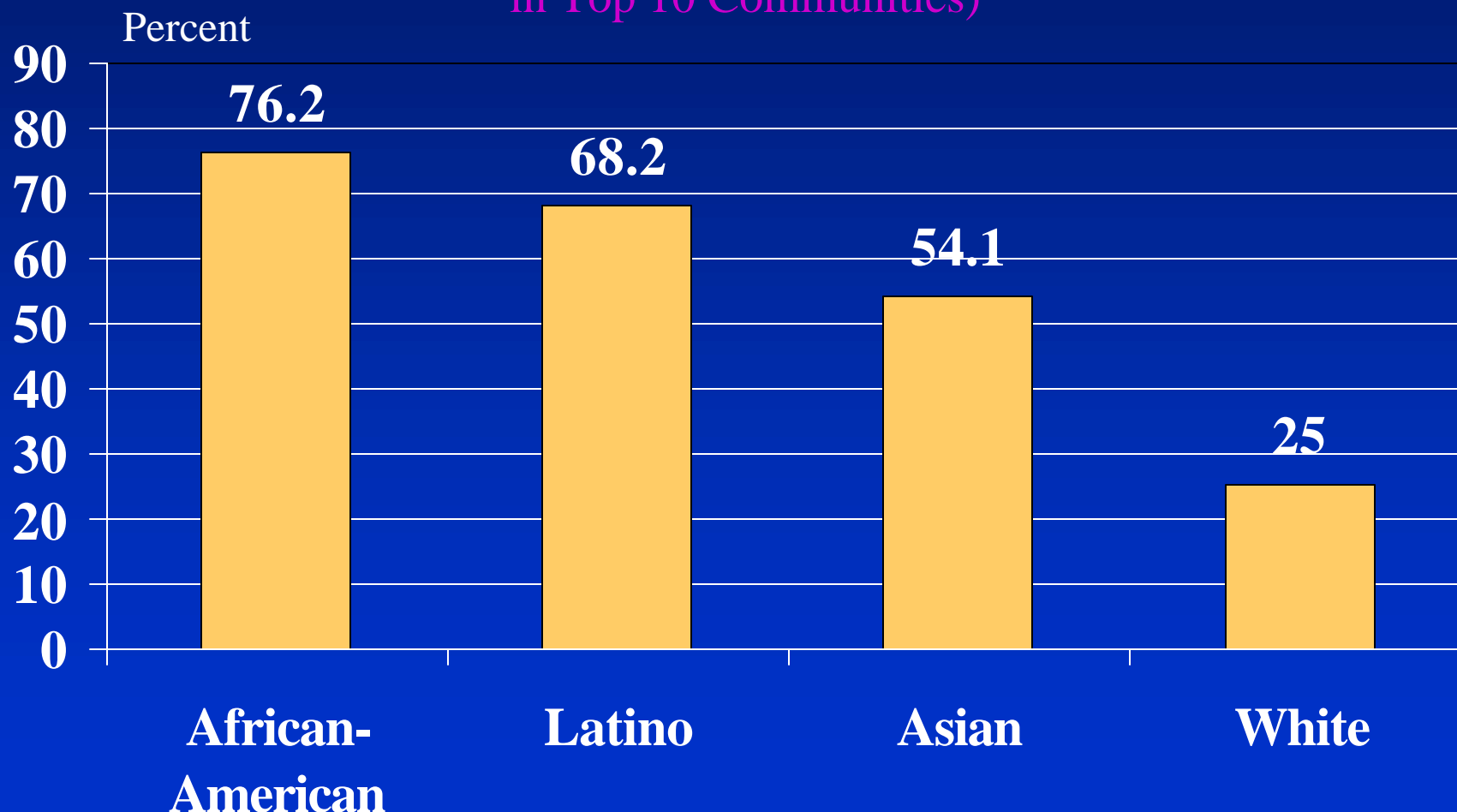
Comparison of Actual to "Color-Blind" Distribution of Home Mortgages
Latino Borrowers



Source: Analysis of data from the 1999-2001 HMDA data. Loans are originated, for-purchase loans in 1-4 unit structures. Race refers to the applicant. Assumes 95% loan-to-value ratio for blacks and Hispanics and 80% ratio for all others. Excludes loans less than \$25,000 and those for which race is unknown.

African-American and Latino Buyers Heavily Concentrated in Just a Few Areas

(Share of Buyers of Moderate-Value Homes Who Purchased in Top 10 Communities)



Note: Moderate Value homes defined as those with a loan amount + down payment (based on 90% LTV for African Americans and Latinos and 80% for others) of \$150,000-\$200,000.

Its More than Money

- Latinos **8 Times More Likely** to Buy in Lawrence and Chelsea than Affordability Would Suggest
- African Americans **7 Times More Likely** to Buy in Randolph and **5 Times More Likely** To Buy in Brockton than Affordability Would Suggest
- In 80% of Cities and Towns, Number of Black and Latino Buyers is **Less than Half** What We Would Expect Based on Affordability

Usual Suspect 2

“At the end of the 1960’s, it was not uncommon for leaders in the Greater Boston academic community to assert that greater racial integration in Boston’s suburbs would occur...[I]t was also suggested by some experts that discrimination in sales and rental of housing was of diminishing importance in shaping residential patterns.”

From “Route 128: Boston’s Road to Segregation”

MCAD and U.S. Commission on Civil Rights

Is There Evidence of Discrimination?

“We don’t want your kind living here”
(2001)

98 in-person and phone tests reveal **one half - two thirds of testers** – African Americans (55%), Section 8 (60%), families w/children (67%) -- **experience discrimination seeking rental housing in greater Boston.**

“Acceso negado/access denied” (2002)

50 in-person and phone tests reveal **52% of Latino testers experience discrimination.**

“You don’t know what you’re missing”
(2005)

36 tests show a pattern of differences in treatment that **disadvantaged African American and Latino homebuyers** in just under half (**47%**) of their attempts to purchase homes in Greater Boston’s suburbs.

“The Gap Persists” (2006)

Tests of banks and mortgage companies providing home loans in Boston found differences in treatment which **disadvantaged African American and Latino loan seekers** in 9 of the 20 matched paired tests conducted (**45%**)

Home buyers of color were:

- **Shown fewer homes and told about fewer listings**
- **Asked more questions about their qualifications**
- **Steered to other communities, to lower priced homes or to open houses**
- **Required to provide 24 to 48 hours notice before viewing houses**
- **Quoted higher loan rates and offered fewer discounts on closing costs**

Advantages of Whiteness

- White testers presumed **more qualified**
- White testers given **greater access**
- White testers given **more information**
- White testers given **lower loan rates, better discounts**
- White testers **more likely to succeed** in homebuying

Bottom Line

- **Significant gap between expectation and reality of where people live based on value of home**
- **Little gap between expectation and reality of whether people of color will experience discrimination**
- **Combined gaps contribute greatly to segregated region**

Usual Suspect 3

Preferences as Cause of Segregation

- Most People of All Races Indicate Preference for Living in an Integrated Community
- Yet Comfort Levels About Ideal Level of Integration Vary by Race
- Over a Third of African Americans and Latinos Say They Would Pioneer Integration in All White Neighborhoods
- However Most **Would Not Pioneer** Integration and Cite **Perceived Discrimination** of White Homeowners as Reason

How Often Do African Americans/Latinos Miss Out on Good Housing Because of the Following Reasons? (Percent)

African Americans	<u>Very Often</u>	<u>Sometimes</u>	<u>Rarely to Never</u>	<u>DK /Refused</u>
White Owners Will Not Rent or Sell	39.1	29.2	20.3	11.4
Real Estate Agents Will Not Show, Sell, or Rent	24.3	41.1	22.7	11.9
Can't Afford Good Housing	50.0	27.2	17.4	5.4
Lack Info Where to Find Good Housing	34.7	31.7	27.7	5.9
Fear Will Not be Welcome in Particular Community	49.0	30.7	13.9	6.4

Note: Rows may not sum to 100% because of rounding.

How Often Do African Americans/Latinos Miss Out on Good Housing Because of the Following Reasons? (Percent)

Latinos	<u>Very Often</u>	<u>Sometimes</u>	<u>Rarely to Never</u>	<u>DK/ Refused</u>
White Owners Will Not Rent or Sell	16.4	34.8	36.8	11.9
Real Estate Agents Will Not Show, Sell, or Rent	10.4	29.9	47.2	12.4
Can't Afford Good Housing	39.8	28.9	25.0	6.5
Lack Info Where to Find Good Housing	29.9	29.4	33.4	7.5
Fear Will Not be Welcome in Particular Community	34.8	30.3	29.9	5.0

Note: Rows may not sum to 100% because of rounding.

The Vast Majority of Job Growth Over the 1990s Occurred in the Outer Suburbs, Far From Blacks and Latinos

(Share of Growth in Each Area)

	<u>Job Growth</u>	<u>Population Growth</u>				
		<u>Total</u>	<u>Hispanic</u>	<u>White</u>	<u>Black</u>	<u>Asian</u>
City of Boston	15.4	5.2	20.3	0.0	18.5	14.9
Satellite Cities	4.4	12.0	55.6	0.0	47.8	33.3
Inner Suburbs	8.7	3.6	5.5	0.0	10.0	21.6
Outer Suburbs	71.5	79.3	18.6	100.0	23.8	30.2
Metro	100.0	100.0	100.0	100.0	100.0	100.0

Sources: 1990 and 2000 Census, Summary File 1 and Mass. Dept. of Employment and Training.

High Correlation between Segregation, Poverty, and MCAS Scores

- 97% of Students in Intensely-Segregated Schools of Color are also in High-Poverty Schools, Compared to Just 1% of Students in Intensely-Segregated White Schools
- Only 61% of Students in High-Poverty, Schools of Color Passed English Language MCAS, Compared to 96% in Low-Poverty, Low-Minority Schools

Economic imperatives for welcoming communities

- **By 2020, it is estimated that over a quarter of the Commonwealth's working-age population will be people of color.**
- **A skilled workforce is critical to attract business and prosperity to the region.**
- **Where we live determines the quality of our children's education and our access to jobs.**
- **Massachusetts must offer open communities in order to educate, cultivate, keep and attract a skilled workforce.**

Beyond the Usual

- Address affordability

zoning reform, regional planning, smart growth development

- Address discrimination

prevention, enforcement, analyze impact

- Address choice

promote welcoming communities, respond rapidly to hate crimes and bigotry

**The Fair Housing Center of Greater Boston
works to eliminate housing
discrimination and promote open
communities throughout the region.**

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